GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1092
ANSWERED ON:24.11.2000
INCOME TAX RELIEF
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received recommendations from C.V.C. to provide income tax relief on funds provided to political parties by corporate bodies and individuals;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b) Yes, sir. The suggestion is that funding of the elections and the contribution to political parties by individuals or corporate bodies must be freely permitted and such contribution must be eligible for tax deduction under the Act. Secondly, political parties must get their accounts audited properly so that there is absolute transparancy in the funding process. These measures, if adopted, would eliminate spectre of black money haunting the country.

(c) The matter is under consideration of the Government. The Government`s response, if any, would be reflected in the budget proposals contained in the Finance Bill, 2001.